

EXHIBIT 1

Barclays admits Libor scandal 'decimated' trust in banks

Barclays has admitted the public's trust in banks has "been decimated and needs to be rebuilt" as it set out measures aimed at rebuilding its reputation in the wake of Libor rigging.

Britain's second-largest lender said the scandal that saw chief Bob Diamond and chairman Marcus Agius resign showed 'banks need to revisit fundamentally the basis on which they operate, and how they add value to society'

By Jamie Dunkley

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Announcing the appointment of veteran lawyer-turned-banker Anthony Salz to lead a review of its operations, Britain's second-largest lender on Tuesday said the scandal that saw chief executive Bob Diamond and chairman Marcus Agius resign showed "banks need to revisit fundamentally the basis on which they operate, and how they add value to society".

Describing the "daunting" task ahead of it, Barclays said it needed a culture change that would see it "affirming key values" with "reinforcing mechanisms" to ensure staff behaved appropriately. Alluding to management and pay, it added "visible leadership" and rewards would have to be aligned to these values.

The review will see Mr Salz interview investors, regulators and staff over the coming months and his findings are expected to be published in the spring.

Barclays said it planned to implement the findings of the Salz Review in full.

"Barclays has a real opportunity to use the events of the past weeks to drive a change in its values and practices. I look forward to hearing views on the changes that should be made," Mr Salz said. "I hope that this review will significantly assist Barclays in rebuilding trust and reaffirming its position as one of our leading institutions."

Mr Salz, a former senior partner at Freshfields Bruckhaus Deringer, ended his 30-year career in the legal industry to become an investment banker in 2006. After a battle for his services from several investment banks, Mr Salz plumped for Rothschild.

He has worked on some of Britain's most high-profile deals and his contacts book is said by people who know him to be one of the best in the City. Deals under his belt include the mergers of SmithKline and Beecham and Reed International with Elsevier of the Netherlands.

Sir Michael Rake, Barclays' deputy chairman, said: "Anthony Salz is the ideal individual to lead this review given his standing and experience. He has the full support of the Barclays board, and we will ensure that he has whatever resources necessary at his disposal to make it thorough and far-reaching."

"We expect this work to contribute significantly to the broader change that we intend to bring about to the way in which Barclays operates."

Barclays has already appointed City headhunters to find replacements for both Mr Agius and Mr Diamond.

One of the favoured candidates to become chairman, former Cabinet Secretary Lord Gus O'Donnell, broke his silence on Tuesday in a radio interview, saying he had not been approached by the bank's board or headhunters about the role.

He said that he was currently busy working on a number of different projects amid suggestions he is favoured by board directors at the bank.

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